GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:554
ANSWERED ON:24.11.2006
NEW PENSION SCHEME
Chandrappan Shri C.K.;Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government proposes to enforce the New Pension Scheme through an executive order in view of the delay in getting the Pension Fund Regulatory Development Authority (PFRDA) Bill passed in Parliament;

(b) If so, the details thereof ;

(c) If not, the steps taken by the Government in this regard;

(d) The number of employees presently covered under this scheme, the mode of contribution and the amount credited in the pension account ;

(e) Whether the Government has any proposal to appoint Fund Managers to manage the same; and

(f) If so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. K. BANSAL)

(a) & (b): A new restructured defined contribution pension system for new entrants to Central Government service, except to the Armed Forces, in the first stage, replacing the existing system of defined benefit pension, was notified on 22nd December, 2003. The new system was implemented with effect from 1st January 2004. Under the new system, the monthly contribution by the employee is 10% of the salary and DA. A matching contribution is given by the Central Government.

(c) Does not arise.

(d) As per information available with the Controller General of Accounts (CGA) as on 17th November, 2006, 1,37,952 employees are covered under the New Pension System (NPS). The pension contributions of the employees are deducted from the salary bills and matching government contribution thereupon is added to the fund. Further, CGA has informed that Rs. 200 crore approximately, including Government contribution, has been credited into the pension account.

(e) and (f): Under NPS, appointment of fund managers is the mandate of PFRDA.